

Media Release

APPROVED FOR RELEASE

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Tellus Withdraws From QLD Opportunity

Key points:

- QLD's DEEDI rejects application to transfer leases from existing owner to Tellus.
- Existing owner retains ownership of leases.

Tellus Holdings entered into a purchase agreement with the seller for the acquisition of a portfolio of leases in the Adavale Basin in Queensland that are prospective for salt. Completion of the acquisition was subject to transfer of the title being granted by the Minister within the Queensland Department of Employment, Economic Development and Innovation (DEEDI). One of the requirements of the DEEDI is for the purchaser to demonstrate they have the financial resources to meet the annually increasing financial commitments to keep the leases in good standing over the term (5 years) of the licence. Tellus could not convince DEEDI and therefore DEEDI rejected the transfer. The title remains with the owner.

Tellus MD, Duncan van der Merwe, commented: *"It is unfortunate that we were not able to add the Adavale Basin assets to the portfolio, but given the financial market constraints the Company had to focus on core business in WA and the NT. If the financial markets improve in the near term and the Company is able to secure additional funding then we may revisit this acquisition"*.

About Tellus Holdings

Tellus Holdings Pty Ltd ("Tellus") is an Australian-owned mining company adding value to underground rock salt. Tellus is the parent of a group of companies involved in the mining, processing and sale of industrial and edible salts, fertilisers and minerals. Potential complementary businesses include storage in voids created by mining and warehouse storage.

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